

MODERNIZING THE FEDERAL DISABILITY BENEFITS SYSTEM

The Time for Reform is Now

The Issue

Social Security Disability Insurance (SSDI) is part of the Social Security program and pays monthly benefits to people with disabilities who have paid into the Social Security system through past wages. Since 1980, expenditures have increased by 205.5%, the caseload has jumped by 196.6% and the number of workers insured for disability rose 50.9%. According to the Social Security Board of Trustees, the SSDI trust fund is facing depletion in 2016.

The Timing

We believe there is a need for a bipartisan working group to develop recommendations for simplifying SSDI and rescuing it from Trust Fund depletion. The Bipartisan Policy Center (BPC) proposes to pull together a working group in 2014 bringing disparate interests in the disability and business communities together to map out a path forward. The goal would be to advise BPC's Commission on Retirement and Personal Savings and inform the Commission's report that is expected to be release in early 2015.

Why BPC is Uniquely Positioned to Achieve SSDI Reform

BPC, established in 2007 by former Senate Majority Leaders Howard Baker, Tom Daschle, Bob Dole and George Mitchell, develops and promotes solutions to attract public support and political momentum in order to achieve real progress. BPC's model of bringing together Democratic and Republican co-chairmen and a diverse group of working group participants has worked to significantly influence the policy areas of energy, health care, deficit reduction, and immigration.

Through our work on the debt, budget, and tax and entitlement reform, BPC has developed strong working relationships with the leadership of the committees of jurisdiction in the House and the Senate. In addition, BPC has developed a reputation for carving a path forward on these tough entitlement issues that has built credibility with the business and stakeholder communities.

BPC's Commission on Retirement Security and Personal Savings

The BPC recently launched an effort co-chaired by former Senator Kent Conrad and James B. Lockhart III to examine the retirement goals of Americans and the nation's investment needs. Senator Conrad represented North Dakota in the U.S. Senate for 26 years and served as the chairman or ranking Democrat on the Senate Budget Committee for 12-years. Jim Lockhart was appointed by President George W. Bush as deputy commissioner and chief operating officer of the Social Security Administration. He previously served as the executive director of the Pension Benefit Guarantee Corporation. Throughout 2014, the commission will hold roundtables and issue a series of white papers highlighting challenges related to retirement savings, defined contribution accounts, SSDI, annuities, and the intersection among housing, higher-education debt, and savings. The proposed working group chaired by Senator Domenici and directed by David Hoppe will ensure that sufficient stakeholder involvement informs the Commission's examination of SSDI

Building on Existing Research

A number of expert analyses of the problems in the SSDI program have been completed recently, including efforts by CRS, GAO, CBO, the National Bureau of Economic Research, the National Academy of Social Insurance, the CATO Institute, and Mathematica's Center for Studying Disability Policy. Rather than creating additional research, the working group will review the various existing proposals and will inform the Commission about policy recommendations that will achieve the goal of program sustainability.

Among the issues that will likely be addressed by the working group are:

- Incentives to keep disabled employees on the job or to return to work quickly rather than applying for SSDI.
- Simplification of SSDI work incentives to make it possible for people to attempt work despite lifelong severe disability.
- Eligibility review for those on long-term SSDI.
- Provide opportunities for those on SSDI to build work experience to return to the work force.
- Fraud prevention.
- Encourage states to test different program options.
- Ways to promote fiscal sustainability while the program is recalibrated.

Project Goals

1. Encourage substantive, bipartisan dialogue among key interest groups and decision makers on modifications to the SSDI program;
2. Provide substantive stakeholder input for the CRSPS report to be released in 2015. Engage and shape the disability policy debate as it unfolds over the course of 2015.

Membership

The working group will be chaired by Senator Pete Domenici. Dave Hoppe will be the director of the working group. It will consist of members made up of former government and elected officials, economists, disability advocates, labor leaders and other experts in the field.

Senator Pete Domenici
Dave Hoppe

Chairman
Director

Invited to join SSDI Working Group:

Doug Badger
Allison Barkoff
Kelly Buckland
Business
Henry Claypool
Gail Dratch
Jason Fichtner
Marty Ford
Connie Garner
Tim Gearan
Martin Gerry

Former Assistant to President for Legislative Affairs
Bazelon Center
National Council on Independent Living
USCC
American Association of People with Disabilities
AFL-CIO
Mercatus George Mason University
The ARC
United Cerebral Palsy
AARP
The Institute on Economic Empowerment, SourceAmerica

Andy Imparato
Pam Mazerski

Martin McGuinness
Jennifer Laszlo Mizrahi
Jeanne Morin
John Paré, Jr.
Harold Pollack
Representative
Bobby Silverstein
Andrew Sperling
David Stapleton
Madeleine Will

Sara Wolff
Ethel Zelenske

AUCD
Former Associate Commissioner at Social
Security
UNUM
RespectAbilityUSA
National Association of Disability Representatives
National Federation of the Blind
U Chicago
Cigna
Attorney
NAMI
Mathematica
Collaboration to Promote Self
Determination
National Down Syndrome Society
National Association of Social Security Claimants'
Representatives